

FOOD SERVICE

ADMINISTRATIVE POLICY #8 SCHOOL YEAR 2001-2002

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SUBJECT: Group Buying Services Follow-up

DATE: May 23, 2002

Administrative Policy #7, related to Group Buying Services, generated many questions. As a result, we compiled the questions and forwarded them to the United States Department of Agriculture for their response. A copy of their response is attached. We have also received additional correspondence from USDA concerning the extension of the implementation date of Administrative Policy #7. The USDA has extended the implementation date from July 1, 2002 to October 1, 2002. This date supercedes the response to question number 1 in the attached letter and in Administrative Policy #7.

There are several conditions that must be met by School Food Authorities *during the extension period*.

- ! Schools may not enter into any new agreements that are not competitively procured.
- ! Any current non-competitive agreements may not be extended beyond September 30, 2002.
- ! Current agreements which include a cost plus percentage of cost pricing structure must be amended by deleting the cost plus percentage pricing structure.
- ! New contracts may not contain cost plus percentage of cost pricing structure.
- ! All districts wishing to use the services of a non-profit or profit making purchasing agent, must bid such service in an open and competitive manner.

Please be advised that the State agency will be involved in greater oversight of procurement related issues because of these USDA directives.

Please direct any questions related to this policy to Cheryl Schubel, School Meals Consultant, at 517.241.2597.

attachments (2)